## **GUARANTY**

This Guaranty (this "Guaranty") is entered into and effective this 29th day of April, 2011, by Hewlett-Packard Company, a Delaware corporation ("Guarantor"), with its principal offices at 3000 Hanover Street, Palo Alto, California 94304, in favor of the County of San Diego ("Beneficiary"), with its principal offices at 1600 Pacific Highway, San Diego, California 92101.

- 1. <u>Guaranty</u>. In consideration of the Beneficiary entering into that Contract Assignment Agreement dated April 29, 2011 (the "Agreement") with Hewlett Packard Enterprise Services, a limited liability company and wholly-owned subsidiary of Guarantor ("HP Subsidiary"), concerning the assignment by Northrop Grumman Information Technology, Inc. of that certain Information Technology and Telecommunications Services Agreement between Beneficiary and Northrop Grumman Information Technology, Inc., effective, January 24, 2006 (the "Contract") to HP Subsidiary.
- Guarantor hereby guarantees to Beneficiary performance of all of the obligations, including the responsibility to perform the Services as that term is defined in Contract, owing to Beneficiary by HP Subsidiary and by any other relevant subsidiary of Guarantor ("Relevant Subsidiary") under the Contract (the "Obligations"), on the terms and conditions set forth herein. Beneficiary shall not be entitled to take any action against Guarantor under this Guaranty unless and until each of the following conditions has been satisfied: (a) the Obligations have become due and payable; (b) Beneficiary has used all reasonable efforts to enforce any security interest in any collateral securing the Obligations; (c) any one of the following conditions has occurred: (i) execution of judgment against the HP Subsidiary and/or any Relevant Subsidiary has been returned unsatisfied; or (ii) the HP Subsidiary or Relevant Subsidiary is in an insolvency proceeding; or (iii) Subsidiary has ceased to perform its Obligations without first obtaining the prior written approval of Beneficiary or a court of competent jurisdiction, and Beneficiary and HP Subsidiary have attempted but been unable to resolve the issue through the informal portion of dispute resolution procedures set forth in Section 23.1 of the Contract (the procedures prior to but not including submission to alternative dispute resolution or referral to a court of competent jurisdiction); (d) after satisfaction of the conditions in subsection (c), a portion of the Obligations remains unpaid or have not been performed; and (e) Beneficiary has complied with the requirements of Section 3. Guarantor shall have the right to assert against Beneficiary all of the claims offsets and defenses that HP Subsidiary or any Relevant Subsidiary has against Beneficiary.
- 3. <u>Limit on Liability</u>. Notwithstanding anything to the contrary in this Guaranty, Guarantor's liability for any Obligations under this Guaranty shall not exceed HP Subsidiary's Obligations as set forth in Section 18.2(b) of the Contract. Without limiting the generality of the foregoing, this limitation amount applies to (i) payment Obligations and (ii) HP's costs of performing any Obligations under the Contract, whether such costs are generated internally or by others HP retains to perform such Obligations.
- 4. <u>Delivery of Notice</u>. Payment by Guarantor under this Guaranty shall be subject to the delivery of (a) a written demand by Beneficiary to Guarantor stating the fact of HP Subsidiary's and/or any Relevant Subsidiary's default under the Contract and that all conditions

set forth in Section 1 have been satisfied and (b) evidence that all the conditions set forth in Section 1 have been satisfied.

- 5. <u>Term.</u> This Guaranty shall remain in effect until the expiration of HP Subsidiary's Obligations; provided, that satisfaction of the Obligations, or termination of the Contract other than as a result of a default by the HP Subsidiary, shall terminate this Guaranty. This Guaranty shall not be effective if the Contract are materially amended, extended, or otherwise altered without Guarantor's prior written consent; provided that the foregoing shall not apply to ongoing modifications made by Beneficiary and HP Subsidiary to the scope of services, schedules or charges in the ordinary course of business and reflected in a problem resolution report (PRR).
- 6. <u>Corporate Authority; Enforceability</u>. Guarantor has the power and authority to execute, deliver and perform its obligations under this Guaranty and has taken all necessary action to authorize the execution, delivery and performance thereof. This Guaranty constitutes a legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and to general equitable principles (whether considered in a proceeding in equity or at law).
- 7. Assignment. This Guaranty is personal to the Beneficiary, and the Beneficiary shall not assign or otherwise transfer the benefit of this Guaranty or any of its rights, duties or obligations under this Guaranty without the prior written consent of the Guarantor, which consent shall not be withheld or delayed arbitrarily. Should circumstances arise in which this Guaranty is invoked, the Guarantor shall be entitled to assign its performance obligations to one or more of its Affiliates or, as regards payment obligations, to any third party being a bank or other financial institution at its sole discretion, provided that the Guarantor shall remain fully liable for the due and punctual performance of any assigned performance obligations by the assignee(s). For the purpose of this Clause 6, 'Affiliate' shall mean either a directly or indirectly wholly owned subsidiary of the Guarantor.
- 8. <u>Entire Agreement</u>. This Guaranty constitutes the entire agreement between the parties with respect to the subject matter hereof.
- 9. <u>Governing Law; Waiver of Jury Trial</u>. This Guaranty shall be interpreted in accordance with the laws of the State of California, without regard to conflict of law principles. The state or federal courts located in California shall have exclusive jurisdiction to hear and determine any claims or disputes between Beneficiary and Guarantor relating to this Guaranty. By acceptance of this Guaranty by Beneficiary, each of Guarantor and Beneficiary hereby waives trial by jury in connection with this Guaranty.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed as of the date first written above.

HEWLETT-PACKARD COMPANY

Name: Paul V Porrini

Title: Vice President, Deputy General Counsel

and Assistant Secretary

**ACCEPTED** 

COUNTY OF SAN DIEGO

Name:

Title WINSTON F. McCOLL, Director
Department of Purchasing & Contracting